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SHORTS & FEATURES



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ADJUSTMENT PROGRAMS PROMOTE BETTER USE OF FARM LANDS

By

Joseph F. Cox, Chief,
Replacement Crops Section.

With the Agricultural Adjustment Administration in its third year, we have an opportunity to measure its effects on the farmer, and upon

farm practices in the nation. The manner in which agriculture has risen from the depths of depression, in considerable part because of adjustment programs, can be measured by the fact that farm income in 1934 was two-fifths higher than in 1932 -- including about 800 million dollars in rental and benefit payments to more than 3,000,000 farmers.

Less spectacular, but of equal ultimate importance, has been the advancement of sound farm practices through improved use of the land taken out of wheat, corn, cotton and tobacco under the adjustment contracts.

36 Million Acres Taken Out of Basic Crops

The adjustment programs took 36 million acres out of basic surplus crops in 1934. This represents about one acre in every nine cultivated in the United States. More than one-third of this acreage was planted to erosion-control and soil-improving crops, such as pasture and meadow crops, while about one-third was used for emergency forage crops and crops for home feed and food. Less than one-third was fallowed to conserve moisture or control weeds, or was left idle.

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In 1935 more than 30,000,000 acres will be included as contracted acres under adjustment programs. On July 25th contract records returned indicated the following contracted or shifted acreage: corn, 11,969,000; wheat, 4,911,900; cotton, 10,293,000; tobacco, 429,700. On this land we have evidence that farmers cooperating in the programs are making remarkable progress in adjusting their rotations and farm practices to achieve an increased acreage of grasses and legumes. Seed supplies of adapted alfalfa, lespedeza, sweet clover, soybeans and grasses are being used in larger volume than ever before.

Legume Acreage Increases

The adjustment contracts have been an important factor in bringing about the largest increase in legume acreage ever reported in the United States. According to the July 16 report of the Bureau of Agricultural Economics, the 1935 acreage of alfalfa is 1,750,000 acres larger than last year's, having risen from 11,482,000 acres to 13,198,000 acres -- a 14 percent increase. During the same time soybean acreage went up 1,200,000 acres, from 4,223,000 to 5,463,000, an increase of more than 29 percent.

This increase in legume acreage is of particular significance because of the remarkable ability of these crops to conserve and build up soil-fertility. Land grant colleges and extension services have for years advocated increased legume acreage, and when the adjustment program became a major extension project, the increase in legume acreage was greatly expedited.

According to the Bureau of Agricultural Economics, "Acreage taken out of production under AAA contracts has been planted in large part to forage crops." Hay acreage for 1935 was 66,096,000, an increase of 5,384,000 acres.

A preliminary estimate shows that well over a third of the contracted or rented acres this year were planted to crops that improve and conserve the soil. It is estimated that less than 15 percent of the total land contracted was idle or fallow; and that of the fifteen percent the larger part was fallowed for definite purposes of moisture conservation and weed eradication.

Adds to Land's Value

While around 800 million dollars has been added directly to the income of farmers through adjustment payments, the proper adjustment of our rotation practices may add an equal amount to the potential value of land being farmed. Instead of a program of scarcity, the adjustment program is one of conservation, and looks toward the production of enough of all basic crops for domestic and foreign markets, protecting the interests of the public by maintaining controlled reserves, while at the same time the programs are bringing new impetus to a movement to improve and maintain the fertility of our lands. This is the best insurance against future want and scarcity. In other words, the nation's agricultural plant is getting an overhauling it badly needed since disruption of sound farm practice by war and depression.

States Report Constructive Use.

Reports from a number of States indicate the constructive use being made of contracted acreage. In the Cotton Belt, the "live-at-home" program, long advocated by southern farm leaders, has advanced materially through the use of "rented" acreage for home food and feed crops. Lespedeza has made a remarkable spread throughout the cotton belt and the southern corn belt, and it is recognized as one of the most effective soil-building legumes.

In the wind-blown areas of the Great Plains, the program has made land available for the planting of milos, grain sorghums, and strip-cropping to prevent blowing. In Kansas and Nebraska, stress is being placed upon the increased use of sweet clover and alfalfa on contracted acres, and on the planting of sorghums, sudan grass and millet, to provide needed pasture and roughage. In the Dakotas, and Montana, alfalfa, sweet clover, brome grass, crested wheat grass and quick-growing roughage crops were largely planted on contracted acres. The Pacific Northwest also devoted its retired acreage largely to alfalfa, sweet clover and adapted grasses. In the Corn Belt, where the drought was severe and chinch bug damage threatened, the planting of soybeans, immune to the chinch bug, was greatly increased. Alfalfa, lespedeza, sweet clover, and pasture grasses were important crops. The Lake States also found alfalfa and clovers of greatest importance for use on contracted acres.

FARM BUYING POWER
CAN AID UNEMPLOYED

At the depth of the depression, the number of workers who were idle as a result of the inability of farmers to buy their normal amount of city-made goods is estimated at approximately 4,000,000.

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WHEAT ADJUSTMENT PROGRAM
EXPENSES ARE 2.4 PERCENT

Administrative expenses of the wheat program during its first year of operation were about \$3,000,000, or 2.4 percent of payments. Costs included handling and audit of contracts and compliance certificates, field expenses other than those of local associations, issuing checks, and collecting the processing tax.

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HOW MUCH LAND IS NEEDED
TO FEED A CITY DWELLER?

For each city dweller in the United States, farmers annually raise about $1/4$ of an acre of wheat, $3/4$ of an acre of corn which reaches the consumer in the form of pork or beef, and $1/8$ of an acre of cotton which reaches the consumer as clothing and manufactured goods. In the tobacco patches of the nation there is about one-fiftieth of an acre planted each year to provide the average person with "smokes."

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FARM CASH INCOME HIGHER
FIRST 7 MONTHS OF 1935

For the 7-month period from January through July, the Nation's farmers are estimated to have received approximately \$3,427,000,000 from sales of principal farm products and from adjustment payments. This is an increase of about \$280,000,000 over their income during the corresponding period in 1934. It is now estimated that cash income, plus AAA benefit payments, will reach \$6,700,000,000 for 1935. This compares with \$6,337,000,000 in 1934; \$5,117,000,000 in 1933; and \$4,528,000,000 in 1932.

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AGRICULTURAL ADJUSTMENT ACT
SPECIFIES CONSUMER PROTECTION

In the Agricultural Adjustment Act, probably for the first time in any legislation sponsored by a producing class, a specific clause protects consumers, by providing that the Act authorizes no action which has for its purpose maintenance of prices above fair-exchange level, as computed from the base period, 1909-1914.

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PROGRAMS PAY THEIR OWN WAY
THROUGH PROCESSING TAXES

Payments to farmers under adjustment programs don't increase the national debt. At the end of the 1934 fiscal year processing tax receipts amounted to \$71,572,151 more than was spent in rental and benefits, surplus removal and expenses; this, added to processing tax collections during the 1935 fiscal year brings the total to \$597,794,509.67. Payments and expenses charged against the taxes as of the same date amounted to \$586,656,162.16, leaving a balance of \$11,138,347.51.

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OVER 8 MILLION DROUGHT CATTLE
BOUGHT, FINAL FIGURES INDICATE

To relieve effects of the 1934-35 drought the Government purchased 8,290,000 cattle from more than 600,000 farms in 24 States, at an average cost of \$13.47, a total of \$111,546,324. Of these cattle 1,479,699 were condemned as unfit for human consumption. Of the remainder, 4,986,777 were turned over to relief agencies to be processed into food, and 1,824,265 were turned over to state relief agencies for processing or use by Rural Rehabilitation agencies in re-establishment of stranded farm families.

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PROCESS TAX COST
TO CONSUMER SLIGHT

The net increase in consumers' total retail expenditures, due to processing tax collections, amounts to around 1 percent. In 1934 total retail sales were estimated at 28 billion dollars, and processing taxes at about 500 million, of which around 300 million is passed on to consumers, while the balance is absorbed, or is offset by tariff reductions.

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BANKHEAD ACT PROVIDES
COTTON CROP INSURANCE

More than \$26,000,000 has been added directly to incomes of cotton producers whose production in 1934 fell below their allotments under the Bankhead Control Act.

This came about as follows: The Bankhead Act placed the total allotment of cotton that could be ginned tax-free at 10 million bales. Tax-exemption certificates were issued to growers on the basis of their average annual production from 1928 to 1932. All cotton not covered by certificates was subject to the tax of 5.67 cents per pound.

Growers in some cotton areas produced less cotton, because of drought and other factors, than the amount for which they held tax-exemption certificates, while in other sections of the cotton belt good weather caused heavier-than-normal yields.

To even up the situation, a pool was formed through which growers with excess certificates might sell them to growers with excess cotton. The selling price was 4 cents a pound. The pool has sold \$16,009,761.47 worth of such certificates for growers. In addition, sales within counties, assuming they were made at the standard price of 4 cents a pound, returned producers \$10,473,771.16. Not only has the pool resulted in a saving to growers with over-quota cotton, but it has helped producers with short crops to make up losses.

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582 MILLIONS TO BE PAID
ON PROGRAMS NOW EFFECTIVE

AAA budget estimates place the grand total of rental and benefit payments under programs in effect June 30 at \$1,374,517,000. Of this amount producers have been paid, up to July 1, 1935, \$792,072,489, leaving a balance to be paid of about \$582,445,000.

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